

February 11, 1999

## SOCIAL SECURITY POLICY POINTS

- **Save Social Security** — Republicans and Democrats must work together to save Social Security. The question is how to accomplish that goal.
- We support a plan that assures Social Security's solvency but does not require benefit cuts, more payroll taxes, or more borrowing.
- As a first step, we agree with the President that 62 percent of the budget surplus should be set aside to help assure Social Security's long-term solvency. That's money that must be "fenced off" and not spent on any other program.
- **Clinton's Plan is Phony and Lets Government Take Over Wall Street** — Republicans cannot and will not support the Clinton Administration's phony, illusory budget scheme that double-counts Social Security revenues, and allows a dangerous government takeover of Wall Street.
  - The President's budget artificially extends the bankruptcy date of the Social Security trust fund from 2032 to 2055 by spending money that doesn't exist [see chart on reverse]. His phony double-counting does not truly extend by a single day the date when Social Security will begin running a deficit and will be unable to pay full benefits — that date remains 2013.
  - The President proposes allowing the Federal Government to invest \$700 billion of Social Security dollars into the private sector— which could lead to the government manipulation of the stock market. Federal Reserve Chairman Alan Greenspan has labeled this proposal as "very dangerous."
- Republicans plan to save Social Security without a government takeover and without phony counting schemes.
- Republicans believe that Social Security beneficiaries should be able to make their own investment decisions— not have the government do it for them.
- Unlike this Administration's plan, which has not extended Social's real deadline by one single day, Republicans want to save Social Security by ensuring that in 2013 the government will be able to meet its obligations and cover Social Security

benefits with existing revenues — and not require benefit cuts, more taxes, or more borrowing.

- **Clinton's Phony Numbers** — Anyone who cares about the future of Social Security needs to recognize that President Clinton's budget "plan" — to extend the solvency of the Social Security trust fund — is a gimmick. Here's a quick walk-through of the President's phony budget proposal.

<b>Clinton 15-year Budget Balance Sheet</b>	
<b>Total Budget Surplus</b>	<b>\$4.5 trillion</b>
<b>Social Security Surplus</b>	<b>\$2.3 trillion</b>
<b>Non-Social Security Surplus</b>	<b>\$2.2 trillion</b>
	minus
<b>Clinton's Big-Spending Proposals</b>	<b>\$1.7 trillion</b>
(Medicare: \$700 billion, USA accounts: \$500 billion, Government spending: \$500 billion)	
<b>Remaining Surplus</b>	<b>\$0.5 trillion</b>
	minus
<b>Clinton's Social Security Payment</b>	<b>\$2.8 trillion</b>
(\$2.1 trillion to trust fund and \$0.7 trillion in government investment)	
<b>Final Balance</b>	<b>-\$2.3 trillion</b>

- The President's budget projects a \$4.5 trillion surplus over the next 15 years. But, fully one-half of that surplus — \$2.3 trillion — is Social Security's surplus. In other words, *it already is Social Security's money.*
- It's Social Security's because it comes from overpayment of payroll taxes. Social Security trustees already account for every penny of it in their projections.
- That leaves only a "working surplus" of \$2.2 trillion. So, how does Clinton come up with \$2.8 trillion for Social Security out of the non-Social Security surplus, and then spend \$1.7 trillion more? It just doesn't add up.

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